

July 27, 1988

TO: Atlas General File, M/037/051  
FROM: Frank Filas, Reclamation Engineer  
RE: Transfer and Bonding of Atlas Mine Sites

It is my understanding that Atlas Minerals is having a firesale and will be transferring up to eight of their mine sites or portions of them to other companies. The majority of these sites are overbonded at the present time because Atlas did not develop the mines to the extent proposed and they have done quite a bit of clean up and reclamation during the past five years. The current bond amount and a new bond estimate is listed below for seven of these mines. The estimate can, obviously, be reduced further if portions of the site(s) are reclaimed prior to permit transfer.

<u>Mine Name</u>	<u>File No.</u>	<u>Current Bond</u>	<u>Proposed Bond</u>
Patti Ann	M/037/003	\$30,210	\$23,800
Standard I	M/037/005	\$23,018	\$ 5,700
Rim/Columbus	M/037/006	\$57,068	\$36,100
Standard II	M/037/011	\$ 9,795	\$ 1,300
Dunn	M/037/017	\$45,441	\$13,200
Far West	M/037/019	\$105,061	\$35,300
Ivy	M/037/034	\$11,657	\$ 3,500
	Total	\$282,250	\$118,900

jb  
8/11



Patti Ann, M/037/003

Description:

The site covers 9.4 acres. A shaft and decline will have to be sealed. Two buildings will have to be removed and the foundations broken up and buried. The sides of main pad/waste dump have good vegetative growth and regrading of this area is not recommended. Most of the reclamation cost will be associated with regrading and topsoiling of the low grade ore stockpile and a small waste dump on top of the main pad. Rio Algom has recently removed some of the low grade ore which should reduce the reclamation cost further.

<u>Item</u>	<u>Amount</u>	<u>Rate</u>	<u>Cost</u>
Remove Structures and Debris	2 buildings & Substation	lump sum (assume some salvage)	\$3,000
Backfill Portal and Shaft		lump sum	\$1,000
Regrade Ore Stockpile & Waste Dump	24 hrs. D-6	\$100/hr	\$2,400
Haul in soil and cover stockpile and dump	6,000 yds.	\$1.50/yd	\$9,000
Rip & seed 9.4 acres plus 2 acre borrow areas	D-6 and two laborers 24 hrs.	\$130/hr	\$3,100
Seed	11.4 acres	\$70/ac.	\$,800
		Subtotal	\$19,300
		10% Contingency	\$1,900
		Total in 1988 \$	\$21,200
		Escalation (2.3% for 5 years)	\$2,600
		Total in 1993 \$	\$23,800